Message Text

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ACTION AGR-08

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TAGS: EAGR, ETRD, BR

SUBJECT: US-BRAZILIAN SOYBEAN CONSULTATIVE GROUP

REF: BRASILIA 6810 BRASILLIA 6811

1. ON AUGUST 2, ACTING AGATT AND EMBOFF MET WITH RUBENS VALENTINI OF THE MINISTRY OF AGRICULTURE TO MAKE PRESENTATION ON THE SOYBEAN CONSULTATIVE GROUP (SCG REF A, PARA 6). VALENTINI, WHO HAD ALREADY BEEN IN TOUCH WITH THE FOREIGN MINISTRY, REAFFIRMED THE GOB'S FAVORABLE REACTION TO THE IDEA. HE HAD SEVERAL QUESTIONS:

(A) WHAT WAS MEANT BY "TECHNICAL LEVEL"? WE REPLIED THAT "TECHNICAL" REFERRED TO A LEVEL BELOW THE POLITICAL LEVEL, BUT THE PRECISE LEVEL AND FORM OF PARTICIPATION WAS SOMETHING WHICH VALENTINI AND USDA OFFICIALS SHOULD DISCUSS NEXT WEEK.

(B) WHAT WOULD BE THE SCG'S ROLE IN PROMOTING MARKET DEVELOPMENT? WOULD IT ESTABLISH, OR COOPERATE WITH AN OPERATIONAL MECHANISM FOR JOINT EFFORTS TO PROMOTE LIMITED OFFICIAL USE

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SOYBEAN COMSUMPTION? WE ANSWERED THAT WE WERE UNAWARE

OF SPECIFIC IDEAS ABOUT HOW SUCH JOINT EFFORTS WULD BE CONDUCTED. WE DID BELIEVE, HOWEVER, THAT THE SCG WOULD BE THE FORUM FORCONSIDERATION OF HOW TO UNDERTAKE SUCH EFFORTS, AND FORMONITORING THEM LATER. AGAIN WE SUGGESTED THAT VALENTINI AND USDA OFFICIALS DISCUSS THIS TOPIC.

- (C) WHAT KINDS OF TECHNICAL EXCHANGE DID THE US HAVE IN MIND, HOW WOULD SUCH EXCHNAGE INTERFACE WITH OTHER FORM OF TECHNICAL TRANSFER, AND "WHO WILL BE GIVING TECHNICAL ADVICE TO WHOM"? WE REPLIED THAT A TWO-WAY EXCHANGE WAS ENVISIONED, AND THIS QUESTION TOO SHOULD BE EXPLORED FURHTERWHILE VALENTINI IS IN WASHINGTON.
- 2. AGATT REITERATED THAT SCG, FROM THE US STANDPOINT, COULD TAKE NO ACTIONS THAT WOULD INTERFER WITH FREE MARKET FORCES. (COMMENT. WE BELIEVE THE MINISTRY FULLY UNDERSTANDS THE US VIEWPOINT ON THIS QUESTION). AGATT ALSO NOTED OUR DESIRE TO AVOID MISLEADING PRESS STORIES.
- 3. ON THE AFTERNOON OF AUGUST 2 ECON COUNSELOR WAS INFORMED BY THAT FOREIGN MINISTRY (PINHEIRO, CHIEF OF BASIC PRODUCTS DIVISION) THAT GOB WISHED TO DEFER FORMAL REPLY TO US PROPOSAL UNTIL IT HAS HAD AN OPPORTUNITY TO STUDY RESULTS OF VALENTINI'S DISCUSSIONS IN WASHINGTON.

COMMENTS.

4. ALTHOUGH THE MINISTRY OF AGRICULTURE SEEMS KEENLY INTERESTED IN THE SCG IDEA, IT IS CLEAR THAT THE MINISTRY HAS NOT YET FORMULATED ITS IDEAS ON THE SPECIFIC ACTIVITIES THE SCG SHOULD UNDERTSKE. IN ESSENCE, SINCE THE EARLIER HIGH-LEVEL PROBES NOTED IN THE EMBASSY'S TALKING PAPER, THE GOB HAS BEEN IN A WAITING POSTURE. THE FORMER AGRICULTURAL ATTACHE AND THE ECONOMIC COUNSELOR EXPLORED THE IDEA IN INFORMAL DISCUSSIONS WITH RUBENS VALENTINI AT AGATTACHE'S HOME SOME TWO MONTHS AGO. AT THE TIME, RUBENS VALENTINI SPOKE STRONGLY IN FAVOR OF SUCH A GROUP, CITING TWO PRINCIPAL OBJECTIVES:

(A) PERIODIC EXCHANGES, LOOKING AHEAD TO THE COMING CROP/MARKETING YEAR, TO COMPARE NOTES AND PERHAPS ARRICE AT SIMILAR OR COMMON PERCEPTIONS ABOUT THE OUTLOOK FOR THE WORLD DEMAND. LIMITED OFFICIAL USE

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SUPPLY BALANCE AND PROSPECTIVE PRODUCTION IN MAJOR PRODUCING AREA. IT WOULD BE LEFT TO EITHER SIDE TO DRAW ITS OWN CONCLUSION FROM THESE SHARED PERCEPTIONS OF THE WORLD MARKET OUTLOOK

(B) THE POSSIBLITY OF EXCHANGES OF VIEWS ON PERSPECTIVE
GOVERNMENT ACTIONS THAT AFFECT THE INTERESTS OF THE OTHER
COUNTRY, WOTHOUT NECESSARILY COMMITTING THE TWO GOVERNMENTS TO
RECIPROCAL ADVANCE CONSULTATIONS. VALENTINI STRESS THAT THESE

WERE PERSONAL VIEWS. IN AUGUST 2 DISCUSSIONS WITH ACTING AGATT, HOWEVER, VALENTINI DID NOT REITERATE THOSE OR ANY OTHER SPECIFIC IDEAS.

5. IT SEEMS CLEAR THAT RESULTS OF VALENTINI'S WASHINGTON DISCUSSION WILLBE CAREFULLY REVIEWED BY GOB. WE BELIEVE THAT IT WOULD BE USEFUL TO PROVIDE VALENTINI WITH AS MUCH DETAIL AS POSSIBLE ON US THINKING ABOUT GROUPS MODE AND PURPOSES OF OPERATION WHILE VALENTINI WAS SPEAKING PERSONALLY IN THE EARLIER PRIVATE DISCUSSIONS WITH AGATTACHE, HIS STATEMENT OF THE GROUP'S POSSIBLE OBJECTIVES ARE, WE BELIEVE, A FAIR SUMMARY OF WHAT SENIOR OFFICIALS IN GOB HOPE GROUP MIGHT ACHIEVE. IN THIS CONNECTION, WASHINGON AGENCIES MAY ALSO WISH TO NOTE FOREIGN MINISTER'S COMMENTS TO AMBASSADOR (REF A, PARA 2). CRIMMINS

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